

HEALTH AND MEDICINE POLICY RESEARCH GROUP  
Testimony before the Illinois Health Reform Implementation Council  
September 22, 2010

Thank you very much for the opportunity to testify today on the critical issue of how best to implement the Affordable Care Act in Illinois. My name is Margie Schaps and I am the Executive Director of the Health and Medicine Policy Research Group, a 29 year old research, policy and advocacy organization with a mission focused on the health of the poor and underserved.

The provisions of the Affordable Care Act have the potential to improve the public's health through insurance accessibility, workforce development and new service delivery model development with a focus on prevention, quality and outcomes. This Act provides Illinois the opportunity to be a leader, to take advantage of the flexibility of the Act in developing innovative programs that have the potential to improve the public's health and reduce healthcare expenditures. More critically, the Act requires Illinois to establish state-based capacity that will meet the needs and expectations of Illinois residents for better and more cost-effective health care. As the state contemplates these exciting tasks, we have several recommendations and will have more at the other public hearings.

First, with regard to health insurance reforms, we would support the development of legislation that will enhance the authority and oversight capability of the Department of Insurance. We recommend the Department increase collection of and transparency of health plan data including premium increases and how insurance company profits and expenditures are balanced with the use of premium dollars for services. Specifically, the law requires that reporting on health insurance company medical loss ratios must be provided to HHS- we recommend transparency of this information through making it available to the public through the website of the Illinois Department of Insurance. Furthermore, as the law allows, Illinois should be at the forefront of evaluating whether we can institute a higher medical loss ratio than is federally required as well as evaluating what is included in the MLR. We recommend that Illinois institute a ban on pre-existing conditions and that we eliminate gender rating as soon as 2012 and certainly before 2014 when the law requires.

The federal law allows for much innovation in Medicaid through delivery system improvements and coordination of care to contain spending and improve outcomes—The State should take advantage of these opportunities. We must utilize existing evidenced based quality measures and outcomes benchmarks from AHRQ and the National Quality Forum and ensure strong consumer protections as we choose new modes of care to make sure that they truly improve access for consumers. Illinois' experience with primary case management and other Medicaid financial incentives should be used to transition providers into patient-centered medical home models of practice. We should develop a program based on successful models in other states like Vermont so that we can more quickly expand capacity, increase patient satisfaction, improve patient outcomes and reduce waste in the system. In working with the provider community, the State should both shape and align initiatives with our large institutional systems in response to both private sector and Medicare demonstrations in an effort to leverage state investment efficiently with the resources of others. HMPRG recommends that the state form a commission made up of stakeholders from payer, provider, purchasers and patient groups that will articulate the vision of what we want to see under a reformed health system in Illinois. Direct and regular input from stakeholders will help ensure that the fundamental principles of transforming the system are vetted, tested and broadly evaluated.

Based on the research of our Center for Long Term Care Reform we believe that global payment systems, bundled payment systems, and coordinated care through transitional care programs that utilize a variety of providers and settings all have the opportunity to maximize provider efficiency, improve quality and reduce waste in the system.

HMPRG has long been an advocate of broadening the delivery system settings and providers to make it easier to access services, improve quality and reduce costs. We should increase the availability of freestanding birth centers, school-based health centers, hospice, retail clinics and connect these alternatives to ongoing, continuous primary care medical homes—and expand the clinical authority and practice collaborative models using nurses, nurse practitioners, social workers, pharmacists, community health workers and other health care providers to help address the workforce shortages we will be facing. One successful model of this is the Fairview Health Services in Minneapolis-St.Paul

With regard to the development of the exchange in Illinois, we recommend that there be significant representation of consumers and advocates on the group that is put together to define the exchange. Second we would urge you to use community based organizations, FQHCs and others based in communities as the Navigators to assist in enrollment. Ensuring basic consumer protections can be facilitated by using the Massachusetts Connector Board experience—this Board oversees decisions on available health plans, determines subsidy levels and governance issues with one third of its members being consumers and leaders of advocacy organizations and labor.

We would implore you to put in place a mechanism whereby you know about every upcoming deadline for potential grant money from the federal government related to the implementation of this Act. So many of the upcoming grant opportunities represent the greatest chance for health reform to be successful in bending the curve of spiraling health care costs. In addition to the ones mentioned above, the opportunities for grants to expand the healthcare workforce will be essential for Illinois as we face serious shortages in the number of personal and home care aides for the elderly and disabled, direct care workers in nursing facilities, assisted living and home and community based settings for example.

To facilitate the best implementation of the Act, we believe it is essential for the State to restructure the way it organizes health services and programs at the state level. We believe the restructuring that took place in the mid-1990s has not led to an integration of services and population-based health initiatives and has not served the people of Illinois very well. The reforms which led to the separation of maternal and child health programs from other public health and primary care initiatives has not reduced costs and impedes our ability to ensure quality, evaluation, care coordination and data sharing, all essential under health reform. HMPRG recommends that the Maternal and Child health programs should be reunited under the Department of Public Health as they are in most states in the country, and that there should be a central point responsible for overseeing quality improvements and indicators of health programs developed under the new law.

HMPRG recommends conducting a baseline analysis and a series of benchmarks depicting where the state is now in terms of spending, innovation, programs and services, population-based measures and system-

based measures-- so that we can put in place a monitoring system to track both intended and unintended consequences of health reform.

Health and Medicine stands ready to help develop a collaboration of stakeholders to work with the state as they design accountability measures for successful implementation of the ACA.

All of the recommendations that we and others make must recognize that there will remain a strong need for safety net providers in our state for those roughly half million people who will not have health insurance but also those who the private sector traditionally has not served; the homeless, those with severe mental illness, migrant farm workers and those with HIV.

Thank you for the opportunity to provide this testimony.